



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 194 523
Organisasjonsform: Aksjeselskap
Foretaksnavn: STOCRETEC FLOORING AS
Forretningsadresse: Værftsgata 7A
1511 MOSS

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Joakim Elisenberg
Dato for fastsettelse av årsregnskapet: 26.08.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.06.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Revenue		127 512 119	134 919 991
Sum inntekter	5	127 512 119	134 919 991
Kostnader			
Cost of materials		90 051 349	93 532 576
Personnel expenses	6, 7	19 443 010	19 700 684
Depreciation of operating and intangible assets	3	3 030 186	274 979
Other operating expenses		12 706 926	16 376 681
Sum kostnader		125 231 470	129 884 920
Driftsresultat		2 280 649	5 035 071
Finansinntekter og finanskostnader			
Annen renteinntekt		126 295	137 074
Other financial income		806 787	1 588 334
Sum finansinntekter		933 082	1 725 408
Annen rentekostnad		410 371	497 545
Other financial expenses		990 888	1 434 980
Sum finanskostnader		1 401 259	1 932 525
Netto finans		-468 177	-207 117
Ordinært resultat før skattekostnad		1 812 473	4 827 954
Tax on ordinary result	13	322 134	1 410 328
Ordinært resultat etter skattekostnad		1 490 339	3 417 626
Årsresultat		1 490 339	3 417 626
Årsresultat etter minoritetsinteresser		1 490 339	3 417 626
Totalresultat		1 490 339	3 417 626
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Allocated to other equity		1 490 339	3 417 626
Sum overføringer og disponeringer		1 490 339	3 417 626



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13	1 743 995	1 687 990
Sum immaterielle eiendeler		1 743 995	1 687 990
Varige driftsmidler			
Buildings and land	3	4 977 527	
Equipment and other movables	3	576 282	343 385
Sum varige driftsmidler		5 553 808	343 385
Finansielle anleggsmidler			
Investering i datterselskap	11	263 649	263 649
Other long-term receivables	12	1 093 803	4 135 254
Sum finansielle anleggsmidler		1 357 452	4 398 903
Sum anleggsmidler		8 655 256	6 430 278
Omløpsmidler			
Varer			
Sum varer	9	10 954 220	12 174 574
Fordringer			
Accounts receivables	8	18 452 967	22 394 146
Other short-term receivables		7 035 987	3 715 419
Sum fordringer		25 488 955	26 109 565
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	10	10 114 526	2 878 056
Sum bankinnskudd, kontanter og lignende		10 114 526	2 878 056
Sum omløpsmidler		46 557 701	41 162 195
SUM EIENDELER		55 212 956	47 592 473



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4, 14	10 000 000	10 000 000
Sum innskutt egenkapital		10 000 000	10 000 000
Opptjent egenkapital			
Other equity	14	3 044 118	1 693 780
Sum opptjent egenkapital		3 044 118	1 693 780
Sum egenkapital		13 044 118	11 693 780
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	12	14 150 000	17 450 000
Other long term liabilities	3	2 419 177	
Sum annen langsiktig gjeld		16 569 177	17 450 000
Sum langsiktig gjeld		16 569 177	17 450 000
Kortsiktig gjeld			
Liabilities to financial institutions	8		134
Leverandørgjeld		4 903 621	6 510 608
Tax payable	13	-229 699	502 809
Public duties payable	10	2 391 169	2 825 294
Kortsiktig konserngjeld	3	2 677 626	
Other current debt	8, 12	15 856 945	8 609 849
Sum kortsiktig gjeld		25 599 661	18 448 693
Sum gjeld		42 168 838	35 898 693
SUM EGENKAPITAL OG GJELD		55 212 956	47 592 473



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of StoCretec Flooring AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of StoCretec Flooring AS, which comprise the balance sheet as at 31 December 2019, the income statement and statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.



Oslo, 26 August 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Andersen
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: QHYKH-J78MG-GGX02-H1CC3-17AX8-H8WSE

Independent auditor's report - StoCretec Flooring AS

A member firm of Ernst & Young Global Limited



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kjetil Andersen

Partner

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-2398085

IP: 37.191.xxx.xxx

2020-08-26 16:39:59Z



Penneo Dokumentnøkkel: QHVYKH-J78MG-GGXO2-HTCC3-T7AX8-HBWS

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Stocretec Flooring AS

Annual report 2019

Board of directors' report

Annual accounts

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Auditors' report

Org n0 912 194 523



Annual report 2019 StoCretec Flooring AS

Nature of business

StoCretec Flooring AS is a producer and distributor of resin coating products, located in Moss with the Scandinavian countries as their main market. StoCretec Flooring AS is owned by the German industry group Sto SE & Co KGaA.

Continued operation

The annual accounts has been submitted based on the assumption that operation will continue. The financial result, financial position and asset/debts of the company envisages a fair picture of the actual situation.

StoCretec Flooring AS will in the opinion of the board be affected by the outbreak of the Covid-19 virus. Unstable value of NOK and lower sales will have an impact on the financial year 2020. At the time of preparation of the annual accounts, it is not yet possible to make a reliable estimate of the consequences this outbreak will have on the company's financial position. However, based on the situation and the information that is available at the present time, the Board of Directors considers it reasonable to use the assumption of continued operations in the preparation of the annual accounts.

Personell

The average number of employees in 2019 in StoCretec Flooring AS was 24. 17,25 % of that being women. There are no women represented at the board. The board of the company is conscious about the expectations of society regarding expectations about initiatives to support gender equality within the company. Work is going on to meet the expectations of society, but no concrete measures have been undertaken.

The board considers the work environment to be very good. The co-operation with the employees has in the opinion of the board been very good and has contributed positively to the overall performance. 110 days of absence due to illness was recorded which accounts for 1,87 % of the total number of working days in 2019. No unwanted incidents or accidents with personal injury has been recorded in 2019.

The goal of the company is to be able to be a stable workplace with full equality between women and men. No discrimination due to gender in matters of compensation, advancement or recruitment shall take place.

Exterior environment

The company is involved in business that to a very limited degree pollutes the external environment.

Research and development

The company is active within developing new products.

Future development

The company has been able to maintain high domestic activity and delivers a positive result. The company will focus on growth within market segments with high potential and in the nordic flooring market in close cooperation with Sto subsidiaries.

Financial risk



The company is exposed to various financial risks, especially the currency risk. Use of financial instruments is implemented to reduce this risk. The company has had no major losses on receivables. The liquidity of the company and the liquidity of the parent company is very good, and it is not decided to implement any further measures to reduce the financial risk. The company assesses the credit risk as limited at this point, but measures will be taken to reduce risk due to the current situation with the virus outbreak and quarantines slowing businesses down.

Financial result, financing and liquidity

The company has a turnover in 2019 of MNOK 127,5. The submitted annual account shows a profit before tax of MNOK 1,8 and MNOK 1,5 after tax.

The cash flow of the operational activities of the company is satisfactory.

The total assets of the company as of 31.12.2019 was MNOK 55,2 compared with 47,6 last year.

The equity of the company as of 31.12.2019 was MNOK 13,0. The equity ratio as of 31.12.19 was 23,6 %, compared with 24,6 % last year.

In the opinion of the board the liquidity of the company is satisfactory.


Disposition of result


The board proposes the following disposition of the result of MNOK 1,5 after tax.

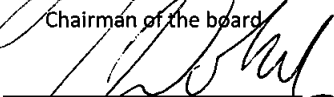
Transferred to other equity	1 490 339
Sum	1 490 339

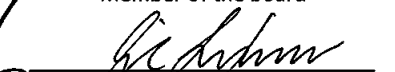
Moss / Stühlingen, 30/6-2020


Jan Tore Andersen
Chairman of the board


Rainar Armin Frick
Member of the board


Alexander Eugen Gänslér
Member of the board


Rolf Wöhrlé
Member of the board


Erik Grønner
Member of the board/General manager





Stocretec Flooring AS

Income statement 1 January - 31 December

Amounts i NOK			
Income statement	Note	2019	2018
Revenue		127 512 119	134 919 991
Total operating income	5	127 512 119	134 919 991
Cost of materials		90 051 349	93 532 576
Personnel expenses	6, 7	19 443 010	19 700 684
Depreciation of operating and intangible assets	3	3 030 186	274 979
Other operating expenses		12 706 926	16 376 681
Total operating expenses		125 231 470	129 884 920
Operating profit		2 280 649	5 035 071
Financial income and expenses			
Interest income		126 295	137 074
Other financial income		806 787	1 588 334
Interest expenses		410 371	497 545
Other financial expenses		990 888	1 434 980
Net financial items		-468 177	-207 117
Ordinary result before tax		1 812 473	4 827 954
Tax on ordinary result	13	322 134	1 410 328
Ordinary result after tax		1 490 339	3 417 626
Net profit for the year		1 490 339	3 417 626
Allocated as follows			
Allocated to other equity		1 490 339	3 417 626
Net brought forward		1 490 339	3 417 626



Stocretec Flooring AS Balance sheet as of 31 December

Amounts in NOK			
Assets	Note	2019	2018
Fixed assets			
Intangible assets			
Deferred tax assets	13	1 743 995	1 687 990
Total intangible assets		<u>1 743 995</u>	<u>1 687 990</u>
Tangible assets			
Right-of-use assets	3	4 977 527	0
Equipment and other movables	3	576 282	343 385
Total tangible assets		<u>5 553 808</u>	<u>343 385</u>
Financial fixed assets			
Investments in subsidiaries	11	263 649	263 649
Other long-term receivables	12	1 093 803	4 135 254
Total financial fixed assets		<u>1 357 452</u>	<u>4 398 903</u>
Total fixed assets		<u>8 655 256</u>	<u>6 430 278</u>
Current assets			
Inventories	9	10 954 220	12 174 574
Debtors			
Accounts receivables	8	18 452 967	22 394 146
Other short-term receivables		7 035 987	3 715 419
Total receivables		<u>25 488 955</u>	<u>26 109 565</u>
Cash and bank deposits	10	10 114 526	2 878 056
Total current assets		<u>46 557 701</u>	<u>41 162 195</u>
Total assets		<u>55 212 956</u>	<u>47 592 473</u>

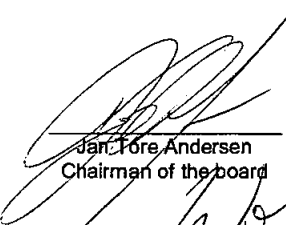
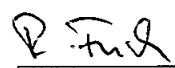
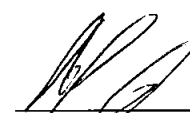
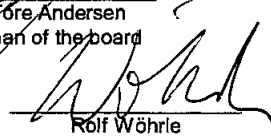
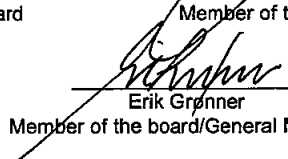


Stocretec Flooring AS

Balance sheet as of 31 December

Amounts in NOK

Equity and liabilities	Note	2019	2018
Equity			
Paid-up equity			
Share capital	4, 14	10 000 000	10 000 000
Total paid-up equity		<u>10 000 000</u>	<u>10 000 000</u>
Retained earnings			
Other equity	14	3 044 118	1 693 780
Total retained earnings		<u>3 044 118</u>	<u>1 693 780</u>
Total equity		<u>13 044 118</u>	<u>11 693 780</u>
Liabilities			
Other long-term liabilities			
Long-term liabilities to group companies	12	14 150 000	17 450 000
Lease liabilities	3	2 419 177	0
Total of other long term liabilities		<u>16 569 177</u>	<u>17 450 000</u>
Current debt			
Liabilities to financial institutions	8	0	134
Trade creditors		4 903 621	6 510 608
Tax payable	13	-229 699	502 809
Public duties payable	10	2 391 169	2 825 294
Lease liabilities	3	2 677 626	0
Other current debt	8, 12	15 856 945	8 609 849
Total current debt		<u>25 599 661</u>	<u>18 448 693</u>
Total liabilities		<u>42 168 838</u>	<u>35 898 693</u>
Total equity and liabilities		<u>55 212 956</u>	<u>47 592 473</u>

Moss/Stühlingen, 30.12.2020
The board of Stocretec Flooring AS
Jan Tore Andersen
Chairman of the board
Rainar Armin Frick
Member of the board
Alexander Eugen Gänslér
Member of the board
Rolf Wöhrlé
Member of the board
Erik Grønner
Member of the board/General Manager



Stocretec Flooring AS

Cash flow statement

	Note	2019	2018
Cash flow from operation activities			
Profit/(loss) before tax		1 812 472	4 827 954
Taxes paid		-504 734	-623 132
Gain from sale of fixed assets		-	-295 866
Depreciation and amortisation		257 640	274 979
Amortisation right-of-use assets		2 772 546	-
Impairment of financial investments		-	444 025
Changes in inventories		1 220 354	-425 946
Changes in accounts receivables		3 941 179	-8 294 002
Changes in accounts payables		-1 454 402	2 839 843
Changes in other current balance sheet items		-2 559 310	-1 508 978
Net cash flow from operating activities		<u>5 485 745</u>	<u>-2 761 123</u>
Cash flow from investing activities			
Proceeds from long term receivables		3 041 451	413 395
Purchase of tangible fixed assets		-1 290 592	-86 746
Proceeds from sale of tangible fixed assets		-	370 000
Net cash flow from investing activities		<u>1 750 859</u>	<u>696 649</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		-	-
Repayment of long term loans		-	-
Net change in bank overdraft		-134	-215 235
Dividends paid		-	-
Net cash flow from financing activities		<u>-134</u>	<u>-215 235</u>
Net change in cash and cash equivalents		7 236 470	-2 279 709
Cash and cash equivalents at 01.01		<u>2 878 057</u>	<u>5 157 766</u>
Cash and cash equivalents at 31.12		<u>10 114 526</u>	<u>2 878 057</u>



Stocretec Flooring AS

Notes to the accounts for 2019

Note 1 - Accounting Principles

The financial statements for Stocretec Flooring AS are prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014. Under this regulation are assets, debt, income and expenses recognized and assessed according to IFRS, where disclosure is in accordance with the Norwegian Accounting Act.

It is not deemed necessary to prepare a consolidated financial statements for Stocretec Flooring AS in accordance to the Norwegian Accounting Act § 3-8.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.



Stocretec Flooring AS

Notes to the accounts for 2019

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Short term investments

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and that the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.





Stocretec Flooring AS

Notes to the accounts for 2019

Note 2a - Financial risk

Stocretec Flooring AS are exposed to changes in currency. In particular, Stocretec Flooring AS is buying raw materials and other consumables in foreign currency. In addition, the company has some sales in foreign currency. To reduce this risk the company has forward exchange contracts.

Note 2b - Changes in accounting principles

The accounting policies adopted are consistent with those of the previous financial year, except for the amendment to IFRS which have been implemented during the current financial year.

Below we have listed the amendments in IFRS which have been applicable for 2019 financial statements, as well as the effect of the amendments.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Stocretec Florry AS as a lessee

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The standard includes a number of optional practical expedients related to recognition and initial application. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Effective 1 January 2019 the Company adopted IFRS 16 using the modified retrospective approach and accordingly comparative information has not been restated. The Company recognised the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings.

Determining whether a contract is or contains a lease

On the transition to IFRS 16, the Company elected to not reassess whether a contract is, or contains a lease, as a practical expedient. The Company applied IFRS 16 only to contracts that were previously identified as leases.

Leases previously classified as operating leases under IAS 17

At the date of initial application of IFRS 16, the Company measured lease liabilities at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2019. Further, the Company recognised right-of-use assets at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

The Company has applied the following practical expedients to leases previously classified as operating leases at the date on initial application:

- * Exemption for short-term leases (defined as 12 months or less)
- * Exemption for low value assets



Stocretec Flooring AS

Notes to the accounts for 2019

* Exemption for low value assets Excluded any initial direct costs from the measurement of the right-of-use asset

* Applied hindsight when determining the lease term for contracts containing options.

For 2019, whereas the financial statements for 2018 have not be restated. The impact of the adoption of IFRS 16 as of 1 January 2019 has been recorded against equity and deferred tax asset as set out below.

	At 01.01.2019	At 31.12.2019	change
IFRS 16 right -of-use sotware	405 329	324 263	-81 066
IFRS 16 right -of-use buildings	5 043 331	3 056 209	-1 987 122
IFRS 16 right -of-use cars	1 436 114	1 556 959	120 845
IFRS 16 right -of-use others	65 244	40 096	-25 148
Total right-of-use assets	6 950 018	4 977 527	-1 972 491
Lease liabilities	-7 129 111	-5 096 803	2 032 308
	-179 093	-119 276	59 817
Calculated tax	21,8 %	22 %	
Deferred tax assets	39 093	26 241	-12 852
Change of equity	-140 000		



Stocretec Flooring AS

Notes to the accounts for 2019

Note 3 a - Equipment and other movables

	Property, plants and equipment
Acquisition cost 01.01.	632 415
Purchased tangibles	490 539
Disposals	
Acquisition cost 31.12.	1 122 954
Acc.depreciation 31.12.	-546 672
Net carrying amount at 31.12.	576 282
Depreciation for the year	257 640
Useful economic life	3-5 years
Amortization plan	linear

Note 3 b - Leases

The Company as lessee - capitalized leases.

Assets under capitalized leases include buildings, software, equipment and vehicles. In addition to the rental payments, the Company has obligations for asset maintenance and insurance. The rental period varies from 2 years to 4 years.

Some of the leases have an option for extension, which is taken into account when determining the rental period if it is reasonably assumed that it will be used.

The lease agreements do not contain restrictions on the company's dividend policy or financing options. Due to the implementation of IFRS 16 from 1 January 2019, there is a significant increase in capitalized leases from this date. See note 2b for a more detailed description of implementation and transition effects.

The balance sheet shows the following amounts relating to leases:

	Buildings	Software and equipment	Cars	Total
Acquisition cost 01.01.2019	5 043 331	470 573	1 436 114	6 950 018
Purchased tangibles		314	801 182	801 496
Disposals	-1 444	-	-	-1 444
Acquisition cost 31.12.	5 041 887	470 887	2 237 296	7 750 070
Acc.depreciation 31.12.	1 985 679	106 529	680 336	2 772 544
Net carrying amount at 31.12.	3 056 209	364 359	1 556 960	4 977 527
Depreciation for the year	1 985 679	106 529	680 336	2 772 544
Useful economic life	3-5 years	3-5 years	3-5 years	



Stocretec Flooring AS

Notes to the accounts for 2019

Lease obligations under capitalized leases:

Overview of remaining estimated rental payments for capitalized leases and present value:

	2019	01.01.2019
Within 1 year	2 800 190	2 717 710
1 to 5 years	2 177 337	4 232 308
After 5 years		
Remaining estimated rental payments	4 977 527	6 950 018

Summary of present value of remaining

estimated rental payments:	2019	01.01.2019
Within 1 year	2 667 626	2 815 548
1 to 5 years	2 428 457	4 313 563
After 5 years		
Present value of remaining estimated rental payments	5 096 083	7 129 111
Average interest rate	0,36 %	

Lease liabilities

Curret debt	-2 667 626	-
Non curret debt	-2 428 457	-7 129 111
	<u>-5 096 083</u>	<u>-7 129 111</u>

The statement of profit shows the following amounts relating to leases

Depreciation charge of right-of-use assets

Software	81 066
Buildings	1 985 679
Cars	680 366
Others	25 463
	<u>2 772 574</u>

Interest expenses(includes in the finance) 12 954

The total cash outflow for leases in 2019 2 725 710

Note 4 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
	10 000 000	100	100 000
		100 000	10 000 000

Shareholders per 31.12:

	Ordinary shares	Ownership share
Sto SE & Co KGaA	100	100 %

Full ownership share gives them complete voting rights on the general assembly.

Stocretec Flooring AS



Notes to the accounts for 2019

Note 5 - Segment information

Segment breakdown	2019	2018
Flooring and Landscape	124 377 926	128 606 439
Other Industrial Markets	3 134 193	6 313 552
Total segment breakdown	<u>127 512 119</u>	<u>134 919 991</u>

Geographic areas	2019	2018
Nordic countries	123 542 373	129 334 909
Europe	3 969 746	5 585 082
Total geographic areas	<u>127 512 119</u>	<u>134 919 991</u>

Note 6 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

Wage costs	2019	2018
Salaries	15 853 485	16 200 378
Social security tax	2 632 471	2 430 315
Pension costs	516 376	500 457
Other benefits	1 007 498	1 090 291
Refund of development cost by the Norwegian state("Skatteft	-566 820	-520 758
Total	<u>19 443 010</u>	<u>19 700 683</u>

The average number of employees	<u>24</u>	<u>24</u>
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Management remuneration

	General manager	Board of directors
Salary including bonus	1 822 673	0
Other remuneration	128 960	

Auditor fee has been divided as follows

	2019	2018
Audit fee	170 408	353 928
Other services	124 413	26 000
Total	<u>294 821</u>	<u>379 928</u>

Note 7 - Pensions

According to the law the company has to participate in the OTP occupational pension. The company's pension plans meet the requirement of this Act. The company has a pension scheme securing the employees' right to future pension benefits. The company's pension plan is a pure contribution scheme.

Note 8 - Receivables and debts

Accounts receivables	2019	2018
Trade Receivables	20 867 564	25 131 887
Allowance for doubtful debts	-2 414 597	-2 737 741
Total	<u>18 452 967</u>	<u>22 394 146</u>

Stocretec Flooring AS



Notes to the accounts for 2019

<i>Other current debt</i>	2019	2018
Vacation allowance and salaries payables	3 127 735	3 648 560
Provision for Warranty claims	895 915	1 090 636
Other short-term liabilities	11 833 295	3 870 653
Total	<u>15 856 945</u>	<u>8 609 849</u>

Note 9 - Inventories

	2019	2018
Raw materials	6 245 887	5 670 868
Finished goods	4 708 333	6 503 706
Total	<u>10 954 220</u>	<u>12 174 574</u>

Note 10 - Bank deposit

	2019	2018
Restricted cash for withheld taxes from employees' salaries	733 609	702 181
Withheld employee taxes	<u>668 923</u>	<u>643 769</u>

Note 11 - Investment in subsidiaries and associate

Company	Share owners / Voting rights	Net profit 2019	Equity 31.12.2019
Hesselberg Sverige AB*	100 %	523	968
UAB Tech Coat*	95 %	117	2 889

Book Value

Hesselberg Sverige AB*	-
UAB Tech Coat*	264

*Net profit, equity and book value are in TNOK

Note 12 - Intercompany balance group company and associate

Receivables	2019	2018
Long -term loan to Hesselberg Sverige AB	1 093 803	3 686 424
Accounts receivables	-	419 019
Total	<u>1 093 803</u>	<u>4 105 443</u>

Payables	2019	2018
Trade creditors	281 141	435 182
Other short term payables	300 000	300 000
Long-term loan from Sto GmbH	14 150 000	17 450 000
Total	<u>14 731 141</u>	<u>18 185 182</u>

Stocretec Flooring AS

Notes to the accounts for 2019



Note 13 - Income taxes

<i>Income tax expenses:</i>	2019	2018
Income tax payable	337 121	1 023 568
Changes in deferred tax asset	-16 912	232 624
Underestimated income tax payable previous year	1 925	154 137
Total income tax expense	322 134	1 410 329

<i>Calculation of income tax payable:</i>	2019	2018
Ordinary result before tax	1 812 473	4 827 954
Permanent differences	-355 581	28 772
Changes in temporary differences	75 475	-406 432
Utilisation of tax deficit carried forward	-	-
Tax base	1 532 367	4 450 294
Tax rate	22 %	23 %
Income tax payable	337 121	1 023 568

<i>Specification of tax payable in the balance sheet:</i>	2019	2018
Income tax payable	337 121	1 023 568
Development cost refund ("skattefunn")	-566 820	-520 758
Net tax payable	-229 699	502 810

<i>Temporary differences and deferred tax/deferred tax asset:</i>	2019	2018
Fixed assets	60 445	144 092
Inventory	-3 664 000	-3 681 000
Receivables	-2 605 944	-2 847 327
Right-of-use assets	-119 276	-
Provisions	-1 598 473	-1 288 445
Total temporary differences *	-7 927 248	-7 672 680
Tax rate	22 %	22 %
Deferred income tax asset	1 743 995	1 687 990

* Positive sign means a tax increasing temporary difference. Negative sign means a tax reducing temporary difference.

<i>Explanation of changes in temporary differences:</i>	2019
Temporary differences at end of year	-7 927 248
Temporary differences at beginning of year	-7 672 680
Gross changes in temporary differences	254 568
Temporary differences recorded against equity	-179 093
Net temporary differences with P&L impact	75 475

<i>Explanation of changes in deferred tax asset:</i>	2019
Deferred tax asset at beginning of year	1 687 990
Deferred tax asset re. implementation of IFRS 16 at group tax rate	39 093
Changes in deferred tax re. temporary differences reversed	16 605
Reversal of def. tax asset re. IFRS 16 at group tax rate	308
Revaluation of deferred tax asset due to reduce tax rate	-
Deferred tax asset at end of year	1 743 995

Stocretec Flooring AS

Notes to the accounts for 2019



<i>Specification of permanent differences:</i>	2019	2018
Non-taxable income	-567 151	-521 595
Non-deductible expenses	211 570	550 367
Received dividend	-	-
Reversal of 3 % of dividend	-	-
Total permanent differences	<u>-355 581</u>	<u>28 772</u>

<i>Calculation of effective tax rate:</i>	2019	2018
Profit before tax	1 812 473	4 827 754
Nominal tax rate	22 %	23 %
Expected income tax expense	398 744	1 110 383
Tax impact of permanent differences	-78 228	6 618
Underestimated income tax payable previous year	1 925	154 137
Impact of application of group tax rate re. IFRS 16-implemenat	-308	62 418
Impairment of deferred tax asset due to reduced tax rate	-	76 727
Other	-	46
Income tax expense	<u>322 134</u>	<u>1 410 328</u>
Effective tax rate	18 %	29 %

Note 14 - Owners equity

	Share capital	Other equity	Total
Owners equity 01.01.19	10 000 000	1 693 780	11 693 780
Change of accounting principle *		-140 000	-140 000
Profit for the year		1 490 339	1 490 339
Owners equity 31.12.19	10 000 000	3 044 118	13 044 118

* Net of deferred tax

Note 15 - Consolidated Financial Statements

Stocretec Flooring AS is part of the German Sto Group. Sto SE & Co KGaA is a public listed company. Consolidated financial statements are available on the internet site www.sto.com. The consolidated financial statements are prepared under IFRS.

Note 16 - Continued operations and events after the balance sheet date

StoCretec Flooring is, like almost all trading companies, affected by the outbreak. In the Board's opinion, the the company will be affected by unstable krone value and reduced activity in the market.

At the time of preparation of the annual accounts, it is not yet possible to make a reliable estimate of the consequences this outbreak will have on the company's financial position. How the outbreak will affect the assumption of continued operations will depend on how long the situation will be, what measures the authorities will take, and how the aforementioned risks will actually affect the company. However, based on the the information that is available at the present time, the Board of Directors considers it reasonable to use the assumption of continued operations in the preparation of the annual accounts.



Skattedirektoratet

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 28.03.2017	Vår dato 04.04.2017
Telefon 90076012	Deres referanse Kjetil Andersen	Vår referanse 2017/345411

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Hesselberg Bygg AS, org. nr. 912 194 523

– Vi viser til deres brev av 28. mars 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hesselberg Bygg AS, org. nr. 912 194 523.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Hesselberg Bygg AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Hesselberg Bygg AS er et selskap som driver med salg av gulvbelegg og andre byggevarer, og har forretningsadresse i Moss. Hesselberg Bygg AS er et datterselskap av det tyske konsernet Sto SE & Co. KGaA som produserer og selger byggematerialer, og som har virksomhet over hele verden. Hesselberg Bygg AS foretar regnskapsmessig rapportering, både månedlig og årlig, til det tyske konsernet Sto SE & Co. KGaA for konsolideringsformål, og dette gjøres på engelsk.

Byggevarerbransjen har et sterkt innslag av internasjonale aktører, der samtlige behersker engelsk. Selskapet har tysk styreleder, og mesteparten av styremedlemmene er også tyske. Det er engelsk og tysk som blir benyttet som arbeidsspråk.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318 E-post: skatteetaten.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et datterselskap i et utenlandsk konsern, og at styremedlemmene i det alt vesentlige er utenlandske. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer